Reissue of mutilated currency notes

2927. SHRI SHARAD YADAV:
SHRI KRIPAL PARMAR:
SHRI C. PERUMAL:
SHRI SURENDRA LATH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that wads of currency notes reissued by the Public Sector Banks contain a large number of mutilated, partially cut, two-pieces, mismatched and old notes that have outlived their life;

(b) whether this practice is in violation of the directions issued by the Reserve Bank of India; and

(c) if so, the steps Government propose to take to avoid inconveniece to the customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Reserve Bank of India (RBI) has not received any complaint of wads of currency notes reissued by the public sector banks containing a large number of mutilated, partially cut, two pieces, mismatched and old notes that have outlived their life. In November 2001, RBI has issued a Directive to the banks to issue only clean notes to the public.

(b) Does not arise.

(c) RBI has a Clean Note Policy to ensure availability of good quality notes to the members of the public. Stapling of notes has been done away with. Commercial banks have been advised by RBI to install note-sorting machines at their currency chest branches to facilitate sorting of notes into reissuable and non-issuables. All banks have been advised by RBI to provide the service of exchange of soiled notes, notes to coins and coins to notes at all of their branches and exchange of mutilated notes at their currency chest branches.

Credit of Euro 43 million to SIDBI

2928. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Small Industries Development Bank of

India (SIDBI) is seeking a credit of Euro 43 million as part of its plan to increase credit flow to Small Scale industries;

(b) if so, the details thereof; and

(c) how much credit is proposed to be given to North-Eastern Region as part of SIDBI's credit flow to Small Scale industries, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. As a part of the Project on Financing & Development of SMEs, SIDBI is in dialogue with Kfw, Germany for a line of credit of Euro 43.5 million.

(c) The line of credit has so far not been broken up into state-wise components.

Release of grants under Eleventh Finance Commission

2929. DR. VIJAY MALLYA: Will the Minister of FINANCE be pleased to state:

(a) whether a request for release of final installment of Rs. 78.82 crores under the Eleventh Finance Commission grants for the period 2004-05 was submitted by the State Government of Karnataka;

(b) what is the present status of consideration of the request; and

(c) by when the funds are expected to be released?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) and (c) Eleventh Finance Commission Award period was over on 31.3.2005 and no further grants can be released for the purpose to Government of Karnataka. In this regard, the State Government has already been informed by Ministry of Finance.

Low spending on National Highways

2930 SHRI DEVDAS APTE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that spending on National Highways is less than 1 per cent of the country's GDP; and